

Billy Carter Used By Brzezinski as Libya Go-Between

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The White House revealed yesterday that Zbigniew Brzezinski, the president's national security adviser, used Billy Carter last year as an intermediary to arrange a meeting with the Libyan charge d'affaires in Washington.

That meeting, between Brzezinski, Billy Carter and Ali Houderi, took place last Nov. 27, 23 days after the American hostages were seized in Tehran.

White House press secretary Jody Powell said yesterday that Brzezinski asked the Libyan for his government's help in winning the hostages' release from Iran. Soon afterward, Powell said, Houderi informed Brzezinski that the Libyan leader, Muammar Qaddafi, had sent a message to Ayatollah Ruhollah Khomeini asking for the hostages' release.

Senior White House officials acknowledged last night that the revelation that Brzezinski had used Billy Carter as a go-between "built up Billy in Libyan eyes," as one of them put it, and thus could have contributed to the Libyans' view that Billy Carter could be a valuable agent in the United States.

Billy Carter revealed in a registration with the Justice Department last week that he received \$220,000 from the Libyan government in January and April of this year as payments on what he described as a \$500,000 loan. The money came in two checks conveyed to Carter through an intermediary by Houderi, the Libyan diplomat.

One senior official at the White House acknowledged last night that the revelation of Brzezinski's role in using Carter as an emissary is likely to open a new series of questions.

The first question may be: why did Brzezinski turn to Billy Carter instead of other possible intermediaries, when he had known since early 1979 that the Justice Department was investigating Billy Carter's relations with the Libyans?

News of Brzezinski's role was released yesterday in a formal White House statement intended to calm the political tempest that is brewing on Capitol Hill over the Billy Carter affair. The statement reiterated, with new detail, past White House insistence that it had not been involved in any improper way with the Justice Department's investigation of Billy Carter.

The White House also released a statement by President Carter rebuking his brother. "I do not believe it is appropriate for a close relative of the president to undertake any assignment on behalf of a foreign government. Facts relating to the existence of any such relationship should be fully and publicly disclosed."

Calls for full disclosure were also heard yesterday on Capitol Hill. House and Senate Republicans both laid plans for investigations of the Billy Carter affair that they obviously hoped would prove politically damaging to his older brother, the president.

The revelation that Brzezinski and Billy Carter met with Houderi last November was the first official indication that any such contact had taken place. The White House statement yesterday said Brzezinski had initiated this meeting by calling on Billy Carter for help.

Other White House officials elaborated, saying that Brzezinski felt that using Billy Carter would be a good way to get around the diplomatic iceberg then blocking Libyan-American relations.

"Our relations were very cool then," one official said, and Brzezinski felt that using Carter would demonstrate to the Libyans that he wanted to make a serious proposition.

Five days after the Brzezinski-Carter-Houderi meeting, mobs in Tripoli burned the American Embassy there. It was sometime after that incident that Qaddafi asked Khomeini to release the hostages.

The explanation that Brzezinski initiated this meeting by calling Billy Carter was disputed yesterday by a government official who was intimately involved in the early diplomatic efforts to free the American hostages.

This source, who had heard of Brzezinski's dealings with Billy Carter and the Libyan charge many months before yesterday's announcement, told The Washington Post that it was Billy Carter who asked Brzezinski to meet, and not the other way around. At least that was the version of the encounter that reached this high official, he said.

White House officials said "Zbig was very explicit" that he, not Billy Carter, initiated the meeting.

Earlier yesterday in an interview with The Washington Post, Billy Carter described Brzezinski as one of the few people in his brother's White House with whom he has maintained an ongoing relationship. He said he seeks out Brzezinski whenever he visits the White House.

"I know very few people in the White House," he said. "He is one of the few I do, and I like him very much."

The Washington Post also was told by sources close to Brzezinski yesterday that he has long taken a personal interest in improving Libyan-American relations.

In the statement released yesterday, the White House for the first time revealed a reason for Billy Carter's desire to meet with Brzezinski last June 11, the same day he first talked with Justice Department officials about the \$220,000 he had received from Libya.

According to the statement, Billy Carter asked Brzezinski "whether there was any national security reason why he could not disclose" details of the earlier Brzezinski-Carter-Houderi meeting to Justice Department investigators. Brzezinski informed Billy Carter that there was not, the statement said.

The White House said that five minutes after the June 11 meeting began, Brzezinski asked White House counsel Lloyd Cutler to join it, after Billy raised the subject of the Justice Department investigation.

Cutler then advised Billy that he should have a lawyer, and suggested several law firms to him. From that list, Carter selected Stephen J. Pollak.

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and Henry S. Ruth Jr.; Cutler then introduced Billy Carter to them over the telephone.

After June 11, when Billy Carter retained Pollak and Ruth, the two lawyers stayed in touch with Cutler at the White House. Late in June they told Cutler that Carter was "reluctant to make a statement and full disclosure, and it was doubtful that he would," in words used yesterday by Powell.

Cutler passed this information to the president on June 30, and on July 1 the president telephoned his brother and "urged him to file the registration statement and make a full disclosure" of his dealings with the Libyan government.

According to the White House statement, Cutler next heard from Pollak and Ruth on Friday, July 11, when they told him the registration statement was about to be filed.

According to Powell, this was the first time that anyone in the White House was informed of the details of Billy Carter's financial arrangements with Libya, specifically the \$220,000 loan. Powell said Cutler did not inform President Carter of these details until Monday, July 14. The president spent that weekend on Sapelo Island, Ga.

The White House statement also revealed for the first time that the president has known since March that his brother was attempting to act as a middle man by seeking a larger allocation of Libyan crude oil for an American oil company.

Brzezinski also played a role in this episode. According to the statement, "Last March Brzezinski noted an intelligence report" describing Billy Carter's efforts on behalf of Charter Oil Co. of Jacksonville, Fla. The statement said Brzezinski then called Billy Carter "to advise him that he should not engage in any activity that could cause embarrassment to the administration. Brzezinski subsequently informed the president of this conversation."

Powell said yesterday that the president "would have preferred" that there be no such relationship between his brother and an American oil company seeking favors from a foreign government. But Powell would not put this in the same category as what the president described as Billy's inappropriate relationship with the Libyan government.

Powell said the president did not urge Billy Carter to sever his relations with Charter Oil because "he is not in a position to make decisions for his brother."

The Washington Post reported yesterday that at about the same time that Brzezinski saw that intelligence report about Billy Carter and Charter Oil, U.S. intelligence had learned that the Libyans were then trying to gain influence with the Carter administration "across the board." No names were mentioned in those reports.

According to one source, other intelligence reports subsequently gave the Justice Department its first hints, and later confirmation, that Billy Carter had received money from Libya.

Powell noted that speculation yesterday, but said that if there were such intelligence reports, "they were not seen in the White House." He speculated that officials handling such sensitive intelligence might have passed it directly to the Justice Department, deliberately bypassing the White House to avoid the appearance of any conflict of interest.

Powell was questioned last night about the propriety of choosing Billy Carter as an intermediary to deal with Libya last November.

Powell said the president's "principal, overriding consideration was to obtain the release of our people," and "in that effort, we dealt with all sorts of people." Referring to Billy Carter, Powell added: "Some were considerably more unlikely than this one."

Powell said the mere hope that Billy Carter's connection with Libya "just might" help procure the release of the hostages meant that "we should have done it."

Powell said he knew of no other occasion on which Brzezinski used Billy Carter as an intermediary or helper in dealing with Libya.

Powell's appearance at the White House briefing room yesterday was one manifestation of the administration's anxiety over the possible political repercussions of this latest Billy Carter affair.

Powell cut short a vacation in his home town of Vienna, Ga., to spend much of yesterday in meetings with senior officials, where the White House statements were drafted. Later he spent more than an hour briefing reporters and answering their questions.

Powell acknowledged that there were some questions about this episode that the White House could not answer. For one, why did Billy Carter decide on June 10 to go to the Justice Department to discuss for the first time the details of his financial arrangements with Libya? Another unanswered question, Powell acknowledged, was why Billy Carter arranged his meeting with Brzezinski even before he had been to the Justice Department.

(Both meetings were arranged on June 10 and took place on June 11.)

Powell speculated that Billy Carter may have anticipated Justice Department questions about any and all contacts he might have had with the White House involving Libya, and therefore he might be forced to disclosed the November Brzezinski-Carter-Houderi meeting.

Powell said he did not know whether President Carter suspected this spring that his brother was receiving money from Libya. But Powell acknowledged that the Justice Department's efforts to get Billy Carter to register as an agent suggested to White House officials that money had probably changed hands.

But no one at the White House had specific information about Libyan payments to Billy Carter until July 11, Powell insisted.

In the second half of an interrupted briefing last night, Powell was asked about an NBC News report that Billy Carter still owes \$50,000 to \$100,000 to the family warehouse operation, of which the president owns 62 percent. A reporter questioned whether some of the money Libya paid Billy Carter might end up in the president's bank account as repayment of that debt.

Powell said he wasn't sure Billy Carter was still a partner in the warehouse, and he couldn't give a specific answer to the query.

In the statement rebuking his brother, President Carter yesterday disclosed his telephone call to Billy Carter on July 1, and said, "I note from the registration that he is not presently engaged in any activities on behalf of Libya and has no activities on its behalf under consideration."

In his ABC interview yesterday, Billy Carter agreed that he had no current relationship with Libya. "In the future, I don't know," he added.

During his briefing yesterday, Powell contributed to speculation about why the Libyans originally befriended Billy Carter, noting that in many cultures the existence of a close blood tie to an important person is assumed to make the blood relation important as well.

Meanwhile, Republicans in the House and Senate moved with evident glee yesterday to make an issue of

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Billy Carter's relations with Libya. Six of the seven Republican members of the Senate Judiciary Committee met and agreed to seek a full-scale committee inquiry. The full panel is to meet and consider their request this morning.

Sens. Bob Dole (R-Kan.) and Jesse A. Helms (R-N.C.) both made statements demanding full inquiries. Dole charged that the Justice Department had failed to follow up on charges that Billy Carter was acting as a middleman for convicted swindler Robert Vesco in his dealings with the Charter Oil Co.

A spokesman for Sen. Edward M. Kennedy (D-Mass.), the committee chairman, said Kennedy, President Carter's presidential rival, will refrain from participating in the committee deliberations on the matter. The committee Democrats are expected to caucus just before the scheduled meeting today.

In the House, 76 members, nearly all Republicans, invoked a rarely used House procedure to introduce a "resolution of inquiry" demanding that President Carter produce key documents relating to the Billy Carter episode within seven days.

In effect, the resolution, fostered by Rep. Robert E. Bauman (R-Md.), would demand records of any meetings or conversations inside the White House relating to Billy Carter and Libya. The resolution will be referred to committee, but after seven legislative days any member can demand a House vote on it. This appears to assure a House vote before Congress recesses for the Democratic National Convention.

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